GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:1478
ANSWERED ON:27.11.2002
NEW MARITIME POLICY
M. JAGANNATH

Will the Minister of SHIPPING be pleased to state:

(a) whether the Ministry has proposed a new maritime policy;

(b) if so, the details thereof ;

(c) the share of India's shipping fleet in the global shipping industry ;

(d) whether it is fact that proportion of India's sea-borne trade carried by the domestic ships has been steadily decreasing; and

(e) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SU. THIRUNAVUKKARASAR)

(a) to (b): No, Sir. However, to promote and help the domestic industry to compete globally, the recommendation of Rakesh Mohan Committee's report for introduction of Tonnage Tax Scheme for shipping sector has been pursued.

(c) : The share of Indian shipping fleet in the global shipping industry is around 1.2%.

(d) to (e): Yes, Sir. It was 31.4% in 1997-98, 30.5% in 1998-99 and 31.5% in 1999-2000. However, to check this decline further, the Government has taken various measures such as:

- Import of all types of ships have been included in the OGL;
- Ships (including second hand ships) can be imported freely now without license as per guidelines issued by the Ministry of Shipping on 15th June,2001 and 5th March,2002 ;
- 100 percent FDI is allowed in Shipping sector;
- The proposed Custom duty of 5% on import of Ships in the Finance bill for 2001-2002, has been done away with.
- Enhancement of Depreciation rate from 20% to 25% for Ships.
- Section 33AC of IT Act has been made more attractive for Indian Shipping companies. The limit upto which reserves could be built up by the shipping companies for new acquisition will now include general reserves and share premium reserves also. Earlier it was limited to twice the paid up capital of the shipping companies.